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## COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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November 7, 2014

**To: Burlington Board of Finance and City Council**  
**From: Peter Owens, CEDO Director**  
**Re: Activating Burlington's Downtown TIF District**

We are seeking concurrent Board of Finance and City Council approval on November 10, 2014 to make an application for a "phased filing" to the Vermont Economic Progress Council (VEPC). This filing is the first step in a multi-step process for the City to incur TIF debt and activate its Downtown TIF District.

This approval is required by VEPC to initiate the application to review the first phase of our 2011 approved Downtown Tax Increment Finance (TIF) district plan. In 2011, the Vermont Economic Progress Council (VEPC) issued a Master TIF District Determination which approved the Burlington Downtown TIF District Plan and TIF Financing Plan subject to conditions requiring VEPC's subsequent approval of the specific development phases within the district for which TIF public improvements were expected to be made. For VEPC approval purposes, a development phase can be one or more projects put forward by the municipality to serve the purposes for which the TIF district was created.

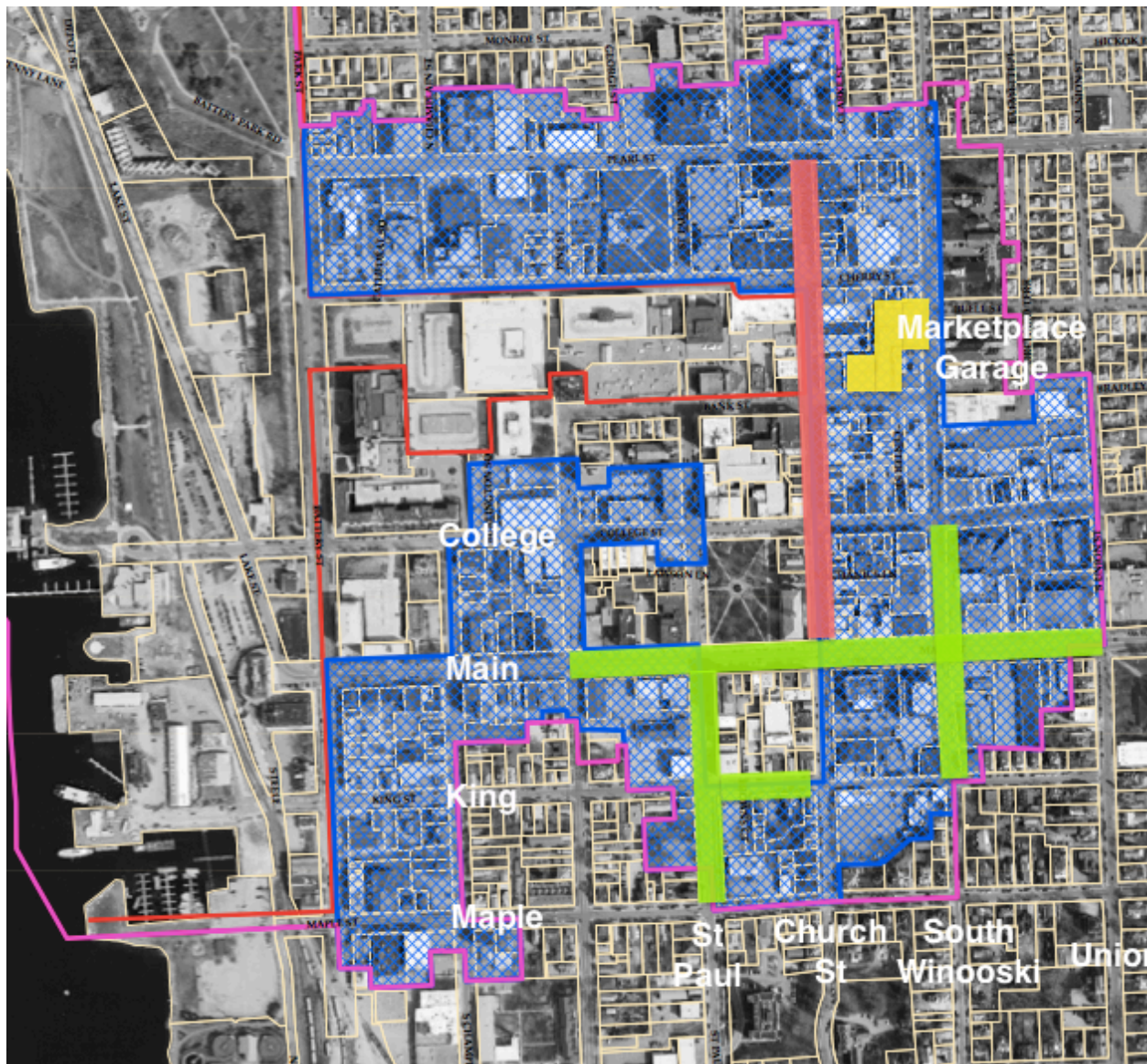
The City is now prepared to initiate a first phase in the district so as to be able to incur TIF debt in order to make some of the TIF public improvements that support the development projects contemplated by the approved TIF District Plan.

While the projects and improvements described below are already in our approved 2011 Downtown TIF Plan, VEPC phase filing approval is required before TIF public improvements can be made or TIF debt to finance those improvements can be incurred. Once VEPC reviews and approves this first phase at their December 2014 meeting, CEDO will come back to the City Council with the specific details of a potential March 2015 ballot question.

The anticipated Downtown TIF public improvements in this phased filing support development projects contemplated in the approved TIF District Plan. The phase filing request will ask VEPC to approve streetscape, parking and related infrastructure improvements with a maximum limiting amount of \$20M. **It is important to note that VEPC approval does not obligate the City to any of these projects, but that none of these proposed TIF projects can proceed without VEPC approval.**

The following improvements (see also attached map), which were identified in the 2011 approved TIF District Plan as supporting potential development, are now being put forward for VEPC phase approval. Assuming VEPC approves, the next step would be Administration and City Council consideration of some or all of the improvements listed below and separate authorization to place an item on the March 2015 ballot for voter approval.

- Parking Improvements YELLOW: Rehabilitation of the Marketplace Garage – Financed by the tax increment generated by all new development in entire Downtown TIF district and needed to support the increased vitality of the Downtown District attributable to this development.
- Streetscape Improvements GREEN: Main Street between Union Street and Pine Street (4 blocks) – Financed by the tax increment generated by the Hilton Garden Inn project (under construction) and Gateway Block project (anticipated 2018)
- Streetscape Improvements GREEN: Saint Paul Street between Main Street and Maple Street (2 blocks) – Financed by the tax increment generated by the Hilton Garden Inn Project (under construction), the Eagles Landing Project (permitted project) and Stratos Project (completing construction) and needed to incent and support redevelopment of these City blocks.



DOWNTOWN TIF DISTRICT WITH PROPOSED PHASED FILING PROJECTS

- King Street from Saint Paul Street to Church Street (1 block) GREEN: -Financed by the tax increment generated by the Eagles Landing Project (permitted project) and needed to incent and support redevelopment of this City block.
- Streetscape Improvements GREEN: Winooski Avenue between College Street and King Street (2 blocks) – Gateway Block project (anticipated 2018), Free Press building redevelopment project (current) and VFW building redevelopment project (anticipated redevelopment to occur within the District's debt incurrence period which ends in 2021).
- Costs related to the creation of the Downtown TIF District and the Administration and implementation of these improvements.

Preliminary budgets are being prepared for the VEPC phase filing package. The City projects a total budget for all of the above items of under \$20 million and will seek VEPC authorization for not more than that amount. Anticipated tax increment from the above described development projects are projected to service all TIF debt for these TIF improvements. Detailed analysis will be provided as part of the VEPC phased filing.

If the City is successful in getting VEPC approval, the Administration will review that response and present detailed information concerning proposed improvements to the City Council for consideration on the March 2015 ballot. The specific scope of the authorization and ballot question will be developed by the Administration and brought forward for Council review and consideration in January 2015.



PROTOTYPICAL DOWNTOWN STREETSCAPE BLOCK FROM BURLINGTON TRANSPORTATION PLAN